


Joseph Deffner 12/12/2000 01:25 PM

To: Wes Colwell/HOU/ECT@ECT, David W Delainey/HOU/ECT@ECT  
cc:  
Subject: Re: Catalytica

We monetized it for funds flow through a 125 just last week at about \$60mm. I'll get with Corp to go through any impact from such a rapid write down to the structure or the lenders.  
Wes Colwell


 Wes Colwell  
12/12/2000 12:55 PM

To: David W Delainey/HOU/ECT@ECT  
cc: Joseph Deffner/HOU/ECT@ECT  
Subject: Re: Catalytica

I agree. With the recent increase in Enron stock the credit capacity in Raptor I is approx. \$100mm. In any event, unless we consume the 100 we should not have any downside p&l exposure. I will work with Dick and my acctg guys to get this booked.

Wes

David W Delainey


 David W Delainey  
12/12/2000 12:31 PM

To: Wes Colwell/HOU/ECT@ECT, Joseph Deffner/HOU/ECT@ECT  
cc:  
Subject: Catalytica

Guys, I suggest that we write it down in order to ensure that we don't get it back as other groups use up the Raptor capacity. We have sufficient market data points to do this. Please advise.

Regards  
Delainey

----- Forwarded by David W Delainey/HOU/ECT on 12/12/2000 12:30 PM -----

 Richard Lydecker@ENRON  
12/12/2000 10:50 AM

To: Thomas E White/HOU/EES@EES, David W Delainey/HOU/ECT@ECT, Brian Redmond/HOU/ECT@ECT  
cc: Wes Colwell/HOU/ECT@ECT, Andrea V Reed/HOU/ECT@ECT, Barton Clark/HOU/ECT@ECT  
Subject: Catalytica

Catalytica filed a prospectus supplement with the SEC yesterday, December 11th which disclosed that because of recent market conditions the Board had decided not to proceed with the planned stock split

**GOVERNMENT  
EXHIBIT  
2843**

Crim. No. H-04-25 (S-2)

prior to the spin-off. The supplement indicates an expected initial trading range "at a price between \$20 and no less than \$10 per share". Based upon these new Catalytica's estimates, the value of the Enron investment would be \$13.5 to \$27.0 million. Enron's Catalytica investment is part of the raptor structure so that the impact is on raptor capacity rather than earnings. The investment has also been monetized in a FAS 125 structure for cash flow purposes.